

**New Paltz, NY** - Congressman Maurice Hinchey (D-NY) today hosted a Hudson Valley Region Small Business Forum at the State University of New York at New Paltz. The purpose of the event was to help inform small business owners of federal and state tax credits and new lending initiatives designed to spur new investment and job creation.

"As I've listened to small business owners throughout the Hudson Valley, I've heard over and over again about the struggles they face, particularly the high taxes and the limited access to loans and lines of credit," said Hinchey. "What I've found is that quite a few of these employers are not fully aware of new tax credits and financing programs that are available to them. That's why we held this forum today - because small business owners need to know about and access these incentives. Small business owners work hard and create the majority of new jobs. We've accomplished a lot in the past few years to support our local businesses, but there is so much more we've got to do. I'm going to continue fighting to do it."

Hinchey discussed the president's recent signing of the Small Business Jobs and Credit Act, which establishes a Small Business Lending Fund to extend \$300 billion in loans to small businesses and provided \$12 billion in small business tax cuts to spur investment, growth, new starts and hiring. Hinchey also noted that eight small business tax relief provisions have been passed into law during the current congress. They are as follows:

**1. A payroll tax holiday for businesses that hire unemployed workers and an income tax credit of \$1,000 for businesses that retain these employees** . According to the Treasury Department, between February and June 2010, businesses had hired 5.6 million workers who had been unemployed for 8 weeks or longer, making those businesses eligible for HIRE Act tax exemptions and credits. (HIRE Act, PL 111-147)

**2. \$40 billion in tax credits to help small businesses offer employee health insurance coverage** – if they choose to do so. These tax credits will cover a portion of the premium costs for their employees' coverage. More than 4 million small businesses are eligible for these credits. (Affordable Care Act, PL 111-148)

**3. An allowance for small businesses to use net operating losses to offset profits from five previous years, up from two years.** (Worker, Homeownership and Business Assistance Act, PL 111-92; )

**4. Enhanced small business expensing**, doubling the amount small businesses can immediately write off their taxes for capital investments and purchases of new equipment. (Recovery Act, PL 111-5) The HIRE Act also extended the enhanced small business expensing provisions for investments and purchases made in 2010. (HIRE Act, PL 111-147)

**5. Increased bonus depreciation** for businesses that made investments in new plants and

equipment to help businesses quickly recover costs of new capital investments. (Recovery Act, PL 111-5; Small Business Jobs and Credit Act)

6. **An exclusion of 100 percent (up from 50 percent) of capital gains** from taxes for investors in small businesses who buy stock and hold it for more than five years. (Recovery Act, PL 111-5, Small Business Jobs and Credit Act )

7. **A Reduction to the required estimated tax payments for certain small businesses.** (Recovery Act, PL 111-5, Small Business Jobs and Credit Act)

8. **Tax relief for taxable corporations converting into S corporations achieved by reducing the built-in gains holding period from 10 years to 7 years** (with gains held for the holding period exempt from tax). (Recovery Act, PL 111-5)

A panel discussion with federal and state agency representatives detailed the available tax credits and other incentives for small business and included a question and answer period following opening remarks by Hinchey. The event was free and open to the public, and cosponsored by SUNY at New Paltz School of Business, Business Alliance of Kingston, Dutchess County Regional Chamber, Kingston Uptown Business Association, Gateway to Entrepreneurial Tomorrows, Hudson Valley Economic Development Corporation, New Paltz Region Chamber of Commerce, Orange County Business Accelerator, Orange County Chamber of Commerce, Orange County Partnership, Sullivan County Chamber of Commerce, Sullivan County Partnership for Economic Development, Ulster County Development Corporation, Ulster County Industrial Development Agency, and Ulster County Regional Chamber of Commerce.